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14th April, 1948

MGC/P(48)16

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REPORT BY THE UNITED STATES, UNITED KINGDOM
AND FRENCH COMMANDERS-IN-CHIEF TO THE LONDON
CONFERENCE

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The attached Report by the United States, United Kingdom and French Commanders-in-Chief to the London Conference was signed in Frankfurt on 14 April 1948 and is circulated for information.

D.J. McCUTCHEON

J. de BENJAMINIS

WALTER E. MATIER
Major G.S.C.

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1. In accordance with instructions received from their respective Governments, the French, United States and British Commanders-in-Chief in Germany have caused a study to be made of certain matters remitted to them as a result of the recent conversations held in London in February and March 1948.

2. They agreed to set up Working Parties to examine each of these subjects and to report to them. The list of the subjects and the composition of the Working Parties is given in Appendix "A" (MCC/P(48)1) attached.

3. The Commanders-in-Chief further invited the representatives of the Benelux countries in Germany to present their views on, and to discuss, the matters affecting them. This invitation was accepted and the Benelux representatives have participated on this basis in the discussion of Items 1, 5 and 6 of Appendix "A".

4. On the proposal of the British Commander-in-Chief, the Commanders-in-Chief also agreed to invite the representatives in Germany of Australia, Canada and the Union of South Africa to submit to them any views which they might have on the matters under discussion. The representatives of Australia and Canada have submitted in writing expressions of their views which were considered by the Commanders-in-Chief and are available to the Conference.

5. The Commanders-in-Chief now wish to report as follows on the items on their Agenda as given in Appendix "A":-

(a) Working Party No.1. Proposal for close association between the Military Governors and the representatives of the Benelux countries in Germany.
 An agreed paper is submitted at Appendix "B".
 In so far as this paper envisages an association between the Benelux countries and tripartite institutions of any kind, it is pointed out that no tripartite machinery at present exists in Germany other than that set up to deal with the meetings just concluded in Berlin. The proposed measures for close co-operation between the Benelux countries and the Bizonal Area and the Benelux countries and the French Zone are already operable.

(b) Working Parties 2, 3 and 4

As will be seen from Appendix "A" these Working Parties dealt with the various aspects of co-operation and co-ordination of economic affairs as between the Bizonal Area and the French Zone, including the implications of their ultimate fusion.

Discussions took place as a result of which the points of view of the three delegations were clarified and recorded on many matters of detail.

The Commanders-in-Chief have not agreed to approve the results of these discussions nor have they agreed to the desirability of forwarding

-2-

S E C R E T

14th April, 1948

MGC/P(48)16

them to the London Conference. Each Commander-in-Chief is, therefore, forwarding to his Government's representative such records of these discussions as he considers desirable together with his comments thereon.

The Commanders-in-Chief are agreed that there is considerable divergence in the extent to which matters are handled by German officials in the Bizonal area and by the Allied officials in the French Zone. The United States and United Kingdom Commanders-in-Chief consider that in all fields where this divergence obtains it is not practicable to carry out an effective harmonization. The French Commander-in-Chief considers that in these cases harmonization is more difficult but not impossible.

A number of details, however, have been agreed which will be most helpful when agreement in principle is reached.

(c) Working Party No. 5 - Future Political Organisation of Western Germany.

The report of this Working Party reveals numerous important divergencies of opinion.

Views presented on this subject by Australia and Canada have been considered by the Commanders-in-Chief.

The Commanders-in-Chief have not agreed to approve this report nor to forward it to the London Conference, but it will be available for reference.

(d) Working Party No. 6 - Safeguarding the Rights of Foreign Powers in Germany.

The Report of this Working Party is attached at Appendix "C".

(e) Working Party No. 7 - Machine Tool Holdings.

There has been some doubt as to the field which the Commanders-in-Chief were required to investigate. The Commanders-in-Chief agreed that they had been asked to complete the survey of the stocks of Machine Tools in Western Germany. The French delegation was under instructions to discuss also certain matters regarding the Prohibited and Restricted Industries and Reparations. The U.S. and U.K. Commanders-in-Chief expressed a willingness to discuss these matters at any time but not within the framework of the discussions covered by this report.

The Working Party, therefore, concentrated its attention on the survey of Machine Tools.

The Report of the Working Party is attached at Appendix "D".

-2-

S E C R E T

-3-

~~SECRET~~

14th April, 1948

MGC/P(48)16

6. The Commanders-in-Chief express their regret that they were unable to make further progress.

(Signed) Lucius D. Clay (Signed) B.H. Robertson (Signed) Koenig

General, U.S. Army,
Commander-in-Chief and
Military Governor
U.S. Zone of Occupation
in Germany

General,
Commander-in-Chief and
Military Governor
British Zone of
Occupation in Germany.

General,
Commander-in-Chief and
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French Zone of Occupation
in Germany.

-3-

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